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HR & Safeguarding

Contributed by the HR & Safeguarding Team (safeguarding@baptist.org.uk)

National Living Wage

The National Living Wage (NLW) rate increases for 2023 have been announced. The main NLW rate for those aged 23 and over rises from £9.50 to £10.42 an hour, an increase of 92p an hour.

For churches who have voluntarily signed up to the Real Living Wage, a quick reminder that the rate has risen by £1.00 to £10.90 an hour from 22 September 2022 (Real Living Wage employers in London will pay £11.95 an hour, a 90p rise).

More details can be found here: <https://www.gov.uk/government/news/large-minimum-wage-increases-help-protect-low-paid-workers-living-standards>

National Living Wage			
Age band	Rate from April 2023	Current rate	% Increase
23 and over	£10.42	£9.50	9.7%
21-22 years old	£10.18	£9.18	10.9%
18-20 years old	£7.49	£6.83	9.7%
16-17 years old	£5.28	£4.81	9.7%
Apprentice rate	£5.28	£4.81	9.7%

Legal and Operations

Contributed by the Legal and Operations Team at Baptist House (legal.ops@baptist.org.uk)

Charities Act 2022

The Legal and Operations team are reviewing the new provisions in the Charities Act 2022 which come into force in phases in autumn 2022, spring 2023 and autumn 2023. The Charity Commission will be updating their guidance as each stage is implemented and we will amend our guideline leaflets accordingly.

An overview of the full changes can be found on the Charity Commission website. These include:

- » changes to how charities sell, lease or transfer land (due to come into effect in spring 2023)
- » changes to the regulation of charity names (spring 2023)

- » greater flexibility to make use of 'permanent endowment' – this is money or property originally meant to be held by a charity forever (spring 2023); and
- » changes to how charities can amend their governing documents (autumn 2023).

A change to moral or 'ex-gratia payments' that was expected in autumn 2022 has been put on hold.

One of the changes that was introduced in autumn 2022 is:

Paying trustees for providing goods to the charity

Charities already have a statutory power that they can use to pay trustees for providing a service to the charity beyond usual trustee duties, or for goods connected to that service. This might include paying a trustee who is a plumber for work at the church, for example.

This statutory power has been broadened by the Charities Act 2022. As a result, charities will be able to pay trustees for just providing goods to the charity, for example in supplying stationery.

Several of our guideline leaflets have been updated to reflect this change including *C16 Conflicts of Interest* - www.baptist.org.uk/resources/C16.

Electric, without the plug.

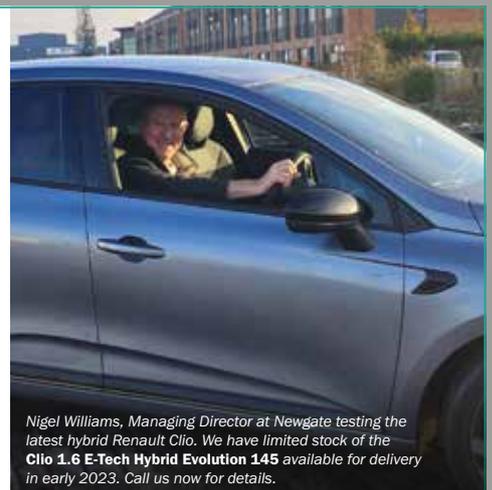
If you're keen to get behind the wheel of an electric car but you're not quite ready to make the full switch, a self-charging hybrid could be an ideal first step. Here's why...

A self-charging hybrid car uses a petrol engine alongside an additional electric motor. Running on electric when in town and petrol when out in the open, it's a clever way to improve fuel consumption. As well as helping you save money on fuel, the CO₂ emissions are lower too. A good choice for you, and a great choice for the planet. Plus, unlike plug-in hybrids and fully-electric cars, with self-charging no additional top ups are required from the mains to fully recharge the battery pack.

To find out more, call us on **08000 324 900**.
Or, for our latest hybrid, fully-electric and petrol offers, visit newgatefinance.com/baptists

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Nigel Williams, Managing Director at Newgate testing the latest hybrid Renault Clio. We have limited stock of the Clio 1.6 E-Tech Hybrid Evolution 145 available for delivery in early 2023. Call us now for details.

Political activity and campaigning

The Charity Commission has published new guidance for charities that want to support, or oppose, a change in government policy or the law. Charities can take part in political activity that supports their purpose and is in their best interests, but they must remain independent and must not give their support to a political party. The guidance identifies the rules on political activity and how charities should engage if it is right to do so. Further information can be found at www.gov.uk/guidance/political-activity-and-campaigning-by-charities

Minimum Energy Efficiency Standards for leases of non-domestic rented premises (England and Wales)

Churches renting out non-domestic property as at 1 April 2023, where that property does not have an energy efficiency rating of E or better, should read the Minimum Energy Efficiency Standards section of the leaflet *PC11: Churches and Leases* - download from www.baptist.org.uk/resources/PC11 - as churches may need to take action to comply with the law.

Manse occupancy in Wales - new legal requirements

The law in Wales relating to how residential accommodation is provided has changed and there are **new legal requirements that must be complied with**. Churches that provide a manse for their minister in Wales should read our new leaflet *PM07* found here: www.baptist.org.uk/resources/PM07

Renting residential property in Wales - new legal requirements

Because of a change in the law, churches in Wales that rent out a residential property to tenants will have **new legal obligations that they must comply with**. Please read our new leaflet *PM08* found here: www.baptist.org.uk/resources/PM08

Smoke alarms and carbon monoxide alarms in Wales – new regulations

New regulations relating to smoke and carbon monoxide alarms apply to all existing manse occupancy arrangements and existing residential tenancies of church property in Wales. **Every church with a manse or residential property must ensure they comply with the new legislation.**

Please see our leaflets *PM07* and *PM08* to which there are links above.

Church amalgamations and mergers webinar

When churches decide that they want to formally amalgamate or merge there are significant legal implications that can arise. Our leaflet *L04 Church Amalgamations and Mergers* - www.baptist.org.uk/resources/L04 - outlines these legal issues and the range of decisions that need to be taken before an amalgamation can go ahead.

A recording of a webinar on this topic, delivered by the Legal and Operations team in October, can be found at www.baptist.org.uk/webinars

Support for Listed Buildings

Contributed by our Church Historic Buildings Support Team (listedbuildings@baptist.org.uk) funded through a partnership with Historic England. Please email us if you would like to be added to the listed buildings mailing list.



Historic England

Historic England's Enrich the List project

If your church is a listed building, that means that it is one of the most important examples of Baptist architecture anywhere in the country! But only you have the keys to unlock its secrets – and that is why Historic England are inviting you to share your knowledge and images of the building that you spend time in and help to look after.

Taking part in *Enrich the List* can also help you to repair and make changes to your building – find out more here: www.baptist.org.uk/enrichthelist.

Groups and activities at your church

We are currently gathering information on the activities taking place in Baptist churches. Knowing who uses your building and how will help us to understand the particular needs of your church and provide you with the most appropriate and beneficial support going forward. Do you think your listed building is fit for purpose? Let us know by answering this quick questionnaire: <https://forms.office.com/r/6DNWAw2J0x>

Quinquennial Inspection Grants

Applications for the final round of our £400 Quinquennial Inspection (QI) Grants are open. QIs are essential for every Baptist church, as they help churches to access funding, undertake maintenance, increase energy efficiency, and ensure their building is safe and accessible:

Download an Application Form here: www.baptist.org.uk/qigrantsform

Ministry Matters

Contributed by the Ministries Team at Baptist House (ministries@baptist.org.uk)

Team news

The Revd Tim Fergusson and the Revd Lee Johnson have been appointed co-leaders of the Ministries Team starting mid-January 2023. They replace the Revd Andy Hughes who has become Tenants Relations Manager at the Retired Baptist Ministers' Housing Organisation. The Ministries Team continues to offer guidance and information regarding accredited and recognised ministry, as well as leadership development.

Continuing Ministerial Development (CMD)

We continue to encourage ministers to engage with CMD - for details, see www.baptist.org.uk/cmd. We ask churches to enable this by allowing time and a budget for ministers (£500 is recommended) to engage with development activities. During 2023, all accredited ministers and nationally recognised pastors must engage with introductory equality and diversity training called *I Am Because You Are* (www.baptist.org.uk/e&d). This training consists of six videos that ministers watch and discuss with fellow ministers.

Finance Matters

Contributed by the Finance Team at Baptist House (financeoffice@baptist.org.uk)

Energy bill relief scheme

The government is providing support for energy bills for non-domestic customers, including churches, from October 2022 to March 2023. For churches on fixed-price contracts, the discount is based on the difference between the wholesale rate when you

signed your contract and a 'supported price' of 21.1p/kWh for electricity and 7.5p/kWh for gas. If the wholesale rate was below these figures or a contract was signed before December 2021 then no discount will apply. Variable or out-of-contract rates will also get a discount based on the difference between the supported price and the daily wholesale price over the period, but the level of discount is capped.

Churches should not need to do anything to receive the discount as it is automatically applied by your supplier and you should already see the discount on bills for periods after October 2022. However, if you are out of contract, the scheme is likely to be more generous if you take a new fixed-price contract.

We also encourage churches to take sensible steps to reduce their energy consumption, as this will both help reduce bills and your environmental impact.

Baptists Together continues to partner with Utility Aid, a specialist energy broker focussed on the charity sector. If you would like Utility Aid to review your bills to ensure you are getting the correct discount and provide advice on your options, please go to www.utility-aid.co.uk/baptist

2023 Stipend

The 2023 Stipend value has been set at £26,500 and the Manse value at £7,134. Full details can be found at www.baptist.org.uk/financialguidance.

Subscriptions

The 2023 Baptists Together Annual Subscription for churches has been set at £5.40 per church member, which is an increase in line with September 2022 inflation of 10.1%, rounded to the nearest 5p. From 2023 onwards, a discount of 25p per member to £5.15 will be applied to any church paying by Direct Debit to reflect the reduced administration costs involved. If you are not already on Direct Debit, a form must be submitted before 31 January 2023 to receive the discount. The form is at www.baptist.org.uk/directdebit. Please remember to specify if you would like it to be taken annually or quarterly.

Any subscription questions can be sent to subscriptions@baptist.org.uk

Church Accounts

Our guidance leaflets on church accounts, F02 for churches doing receipt and payments accounts - www.baptist.org.uk/resources/F02 and F03 for accruals accounts - www.baptist.org.uk/resources/F03 have been updated to support churches completing their annual accounts. We have also recently done a webinar on Accruals accounts for churches considering this option, which can be found at www.baptist.org.uk/webinars.

Important Reminders: Income Protection Policy

If you have staff who are members of the Ministers or Staff section of the Baptist Pension scheme, they benefit from Income Protection Insurance provided by Aviva that will pay out 50% of pensionable income after 6 months of sickness absence through to retirement if they are unable to work due to ill health. This is a very valuable benefit and to ensure staff are eligible to claim it is essential that:

- » The Pension Scheme Administrators, Broadstone are **informed within four weeks** of the start of any sickness absence. They will then advise upon the process to follow to initiate a claim. Contact details can be found at baptistpensions.org.uk/contact.
- » The staff member's appointment or employment **must not** be terminated prior to eligibility for a claim being confirmed, as that would end the insurance coverage.

Unfortunately, we are aware of circumstances where staff have not been able to claim because these steps were not followed.

Environmental Issues

Contributed by Dave Gregory, Former President, Baptist Union 2018-19, Convenor of Baptist Union Environment Network (BUEN) and Director, John Ray Initiative - Connecting Environment, Science and Christianity.



The growing awareness of climate change, and the increasing cost of energy, leads many churches to ask how they can reduce their carbon footprint.

Utility Aid, an established energy broker specialising in advising churches and charities, can help churches measure and reduce their carbon footprint. Using a mobile phone video link, a qualified Energy Assessor will assess your building's energy use and offer possibilities to reduce its carbon footprint. The cost is £150 + VAT - for more details contact Utility Aid at customercare@utility-aid.co.uk

Beyond the impact of buildings, Climate Stewards offers a free self-help resource covering church life and mission. The online 360° Carbon tool (360carbon.org/en-gb) helps you to calculate your church's carbon footprint, with advice on how to reduce and offset carbon emissions through projects in the global south.

Before considering any significant cost outlay in making adaptations to reduce your church's carbon footprint, it is advisable to seek specific expert advice from environmental consultants.



Baptists Together Loan Fund

Baptists Together member churches can apply to our Loan Fund for help with a variety of projects.

We are able to help churches who are looking to enlarge, improve or redevelop their existing church premises - or who are wanting to buy new premises. We can also help churches to buy a new manse or other residential property for a church worker. The Loan Fund is also able to help churches faced with paying off debt to the Baptist Pension Scheme. In addition we can offer bridging finance which is at a higher rate of interest.

We are here to help Baptist churches with their mission and we also understand the way Baptist churches work. Having been around for many years we have helped hundreds of our churches in this way.

CURRENT TERMS:

- Loans available above £25,000
- Variable Interest Rate currently 3% above base rate
- Loan repayments between 10 and 20 years available - depending on loan amount and type
- Fee free - subject to certain conditions

For more information visit

www.baptist.org.uk/loans

The BUC is only able to enter into a loan that is a relevant credit agreement (as defined by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) as lender for the purposes of the business of a church (or if the church is unincorporated, the business of the church trustees) and not for any other purpose.

Taxation Topics

Contributed by Malcolm Gunn - our Honorary Taxation Adviser. Please send any tax related queries to (financeoffice@baptist.org.uk)

Gift Aid Small Donations Scheme (GASDS)

Churches will be aware that up to £8,000 per annum of small cash donations are eligible for the Gift Aid Small Donation Scheme, as long as the church has at least £800 of donations subject to standard Gift Aid in the same tax year. Each cash donation must be £30 or less but this is not rigidly applied to church Sunday offerings so long as those counting the offerings take reasonable steps to exclude any obvious gifts over that limit.

For more on GASDS, see leaflet *G01* (www.baptist.org.uk/resources/G01)

Covid-19 resulted in cash collections being suspended for some time and now most people prefer to give by bank transfer. This means that non-taxpayers who previously gave in cash each week may now be making bank transfers instead and therefore GASDS will no longer apply. Treasurers will probably not want to ask non-taxpayers to go back to cash donations but what might be considered is for the church to obtain a contactless card reader. Contactless donations can qualify under the small cash donations scheme so long as each payment is £30 or less.

Loan waivers and Gift Aid

HMRC have recently announced that where a loan has been made to a church and the lender subsequently agrees that the church need not repay the money, this can be organised so as to count as a donation qualifying for Gift Aid. Previously it was considered that Gift Aid could not apply because there must be a donation of a sum of money, not a loan written off.

To qualify for Gift Aid, the loan must be waived by a suitable deed of waiver.

This document should:

- » contain details of what is being waived, (making it very clear that the lender is giving up all legal rights to any future repayment)
- » confirm the amount waived and that it is to be treated as a donation for Gift Aid (being clear that only capital of the loan can qualify, not any interest accrued on it).

A deed is a document which states that it is signed as a deed and where the signatures of the parties are signed before a witness who also signs.

Benefits in respect of manse maintenance

Churches can conduct repairs to the fabric of a manse and maintenance of fixtures and fittings at any time without a benefit in kind arising to the minister. However, if the church redecorates the premises at a time other than when the minister first takes up residence, a benefit will arise in respect of the cost which will be both taxable and chargeable to Class 1A employer in NICs. Any contribution by the minister will be deductible from the benefit, as well as a fraction for use on church business. The replacement of fitted carpets at a manse during the service of a minister for the church is also a benefit chargeable to income tax and class 1A NIC. The benefit is 20% of the value of the carpets.

In strictness, carpets already in place when the minister moves in will give rise to an annual taxable benefit but since the benefit is calculated on the market value of them at the time when the minister first occupies the premises, there may be a good argument for saying that worn second-hand carpets have no significant market value. Alternatively, if they are new at that time they may be within the exemption for relocation expenses.

All benefits in respect of redecoration, provision of furniture, carpets and other domestic items are subject to the upper limit of 10% of the net earnings from the employment for the year.

Appeals for overseas projects

Churches should be aware that funds raised for overseas charitable activities can affect their Gift Aid repayment claims if correct procedures are not followed. This may be particularly relevant in the context of fund-raising for Ukraine.

The easiest and simplest way to ensure that no tax issues arise is for funds to be raised under an appeal by a UK charity such as BMS and to pay the amount raised across to such an organisation.

If funds are raised with the aim of paying them directly to a person or organisation in a country overseas, HMRC require that the church takes reasonable steps to ensure that the payment is applied for charitable purposes. If that condition is not met, the payment is treated as non-charitable expenditure by the church for UK tax purposes and its Gift Aid claim for that year will be reduced accordingly.

As to what are reasonable steps, this depends on the amount involved. HMRC give the following example for a small donation:

'A pastor from a church outside the UK visits a partner parish in the UK. On his return home he discovers that the church building in his hometown has burned down. When writing to the UK church to thank them for his visit he mentions this and the UK church decide to donate £500 to help rebuild the church. The overseas church sends a thank you note and a picture of the new building when it is complete.'

This is a situation where the local pastor is known to the UK charity, the amount is a small, one-off payment and there are likely to be good connections between the charity and the overseas church. In this case a thank you note on headed paper is sufficient.'

For more substantial donations, HMRC say that much more detailed paperwork and oversight of the use of the funds would be required.

These notes are offered to provide general information for Baptist churches. We hope they will be helpful in highlighting new guidance and providing reminders about other important matters relating to the life of a local Baptist church. Although every effort is made to ensure that the information is correct at the time of publication, we make no representations, warranties or guarantees (whether express or implied) that the information is accurate, complete or up-to-date. Further, these summary notes are not intended to amount to advice on which you should rely and cannot be a substitute for formal professional or specialist advice. We do not assume and will not be liable to any party (who has either taken or refrained from taking action in reliance on these notes) for any loss or damage caused by errors or omissions, whether resulting from negligence or any other cause. If you want to ask detailed follow-up questions, please contact us through the Baptist Union website.

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Tel: 01235 517700 Email: supportservices@baptist.org.uk Website: www.baptist.org.uk

BUGB is operating as a Charitable Incorporated Organisation (CIO) with Registered Charity Number: 1181392